A large, stylized graphic in the center of the page. It features a blue outline of a diamond shape, with a red outline of a similar shape slightly offset and overlapping it. Inside the blue diamond, the text 'RELENTLESS PASSION', 'BOUNDLESS POTENTIAL', and 'LIMITLESS POSSIBILITIES' is written in white, bold, sans-serif font, stacked vertically. The background is a dark blue gradient with abstract, angular shapes in shades of red and purple.

EXCELLENCE
EVERY STEP OF THE WAY

ANNUAL REPORT 2018-19

A small, horizontal decorative bar located below the text 'ANNUAL REPORT 2018-19'. It consists of a short line with a gradient from blue to red.

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A STORY OF EXCELLENCE

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Annual Report 2018-19
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**THE RELENTLESS PURSUIT OF EXCELLENCE IS
A CRITICAL CHARACTERISTIC OF LIFE ITSELF,
WITH AN EVOLUTIONARY DNA.**

GROWTH IN 2018-19

₹2,664 crore
Gross Sales **▲ 18.25%**

₹346 crore
EBIDTA **▲ 22.68%**


HOLDING PATTERN

48.9%
Promoter and Promoter's
Group Holding

51.1%
Public holding


We have always looked at our Company as a living entity, pulsating with energy and enterprise; and hence our ideology is to pursue excellence in each facet of our businesses. Our brand philosophy is to touch and deliver on key societal requirements with quality aspects that are superlative and a scale that is grand and industry leading.

Excellence is an exciting playground where we perform, attain new industry benchmarks and continue to remain an inspiring value creator for stakeholders, the society and the nation.



HSIL at a Glance

EXCELLENCE BEGINS WITH DECADES-RICH TRUST

The background image shows a modern bathroom interior. In the foreground, there is a glass shower enclosure with a white shower pan. To the left of the shower, a modern armchair with a patterned cushion sits on a light-colored tiled floor. A small, dark, rectangular rug is placed in front of the shower. Large glass windows or doors in the background offer a view of a tropical beach with white sand, turquoise water, and a small island with lush greenery under a blue sky with white clouds. A large, dark, geometric overlay is positioned on the right side of the image, containing white text.

Ever since inception, we have always placed customer centricity and innovative products at the heart of our strategy. Our data-driven insight and social research help us remain in step with evolving customer aspirations and market dynamics. Our expertise, honed over decades, shape our pursuit of excellence and sustainable value creation. The result is a compelling recall for our brands across business divisions and a strong foundation of trust.

HSIL at a Glance (contd.)

We commenced our journey in 1960 with a technological collaboration with Twyfords, UK as Hindusthan Twyfords Limited, and were subsequently renamed HSIL Limited in 2009. In 1962, we introduced vitreous china sanitaryware in the country, the first sanitaryware company to do so in India. Today, we have diverse offerings

ranging from bathroom products such as sanitaryware, faucets and plastic pipes and fittings to home appliances, multiple packaging products and furniture and furnishings.

HSIL was featured in the 'Fortune India 500' list in 2018, which underlines the success of our Company. We have been enjoying the unparalleled trust

and confidence of our customers for over 59 years now. Through our various businesses, we provide a robust line up of state-of-the-art products. Our four distinct business divisions are strengthening our market competitiveness and efficiencies to continue to serve our consumers better.

BUSINESS DIVISIONS

BUILDING PRODUCTS DIVISION (BPD)

Our Building Products Division houses sanitaryware and faucet businesses with a versatile range of best-in-class products catering to a wide cross-section of customers. We create unforgettable bathing experience because we understand that a bathroom reflects one's personality and taste. With years of expertise and consumer research, we are an expert in the bathroom space today. The division also includes **'TRUFLO by hindware'**, our plastic pipes and fittings business that comprises PVC, CPVC, UPVC and SWR pipes, which is a back of the wall integration into our sanitaryware and faucets business.

We have a leading consumer appliance business under which we offer a range of premium products to our consumers. Our consumer-friendly products have contemporary designs, styles and functional efficiency, making the lives of consumers easy. We have products ranging from water heaters and water purifiers to air coolers, air purifiers, extractor fans, and kitchen appliances which are all relevant in the modern

CONSUMER PRODUCTS DIVISION (CPD)

consumer lifestyle of today, with each contributing to make better homes a reality in India.

Under the Packaging Products Division, we offer a wide range of glass and PET bottles and products and security caps and closures that cater to customers across different industries. We are consistently focusing on market expansion through the creation of a distinctive product portfolio with an increased segment of value-added products. In PET bottles, we are offering conventional as well as new age packaging solutions. In the calendar year 2018, we commenced production of security caps and closures under the brand **'AGI Clozures'** with patented and technologically superior products, which are created to prevent counterfeiting of packaged products in liquor and edible oil industries.

Our retail division, Evok, is a complete home solution player showcasing 20,000+ contemporary products. Its range includes furniture, home décor and furnishings, wall fashion,

PACKAGING PRODUCTS DIVISION (PPD)

modular kitchens and wardrobes. The products are designed according to the latest styles and perennial functional sensibilities to create contemporary aesthetics for interior living. Evok has both owned and franchise large format retail stores along with an online presence at www.evok.in as well as on other leading e-commerce platforms.

We have 11 manufacturing facilities across the country. We have two sanitaryware plants at Bahadurgarh in Haryana and Bibinagar in Telangana, two faucet plants at Kaharani and Bhiwadi (under temporary shut down) in Rajasthan and one plastic pipes and fittings plant at Sangareddy in Telangana. We have two glass container facilities at Sanathnagar and Bhongir in Telangana, three PET bottles and products facilities at Selaqui in Uttarakhand, Dharwad in Karnataka, and Sangareddy in Telangana, and one security caps and closures facility at Sangareddy in Telangana.

We offer an engaging workplace that supports innovation, high performance and personal development for our 4,190+ team members.

RETAIL DIVISION



MISSION

Helping our customers adopt a comfortable, luxurious and sustainable lifestyle while fostering innovation has been our aim at HSIL.



CORE PURPOSE

Passionately strive to enrich customer's quality of life, thereby enhancing stakeholder value.



Chairman and Managing Director's Insight

EXCELLENCE IS A WAY OF LIFE AT HSIL

Dear Shareholders,

We, at HSIL, believe excellence is more than just a pursuit for businesses, the economy and the society. It is a state of mind. Only when you believe in excellence, will your actions reflect this emotion. Excellence, however, cannot survive or thrive in a vacuum. It needs a favourable macro environment and consistent meticulous nurturing. The overarching reality in India holds significant promise and I feel it is only befitting to say a few words here in this context, before we focus on how HSIL is capitalising on the big opportunities.

India continues to be one of the world's fastest growing major economies; and is poised to touch US\$ 5 trillion in five years and US\$ 10 trillion in eight years (Source: Budget 2019). It is also one of the most diverse nations, with many regional and cultural nuances. Our country is powered by a huge, aspirational young population with growing disposable income and greater integration with the world, thanks to the digital-first economy that it is building. This interesting confluence of robust economic growth, a vibrant consumption landscape, greater connectedness and key socio-economic reforms creates favourable opportunities for all future-focused businesses like ours.

Consumption expenditure contributes over 57% of the country's GDP, which augurs well for businesses. For close to six decades, we have grown by leveraging consumption growth in an economy, which is becoming increasingly inclusive. The government has rolled out multiple measures to bolster the rural economy and also drive consumption in Tier II and Tier III cities. Some of these measures include 'Ujjwala' scheme, which provides free cooking gas connections to poor rural families, the 'National Rural Health Mission' (NRHM) that offers accessible, affordable and quality healthcare to the rural population and 'Housing for All', which provides affordable housing to the urban poor.



HSIL IS AN INSTITUTION OF EXCELLENCE THAT CAN CREATE ENDURING VALUE BY INTEGRATING BUSINESS PRIORITIES WITH THE LARGER SUSTAINABILITY AGENDA. A SUSTAINABLE AND GROWING BUSINESS DELIVERS EXCELLENCE AND REMAINS FUTURE-READY EVERY STEP OF THE WAY.





THE EXCELLENCE OF OUR BRANDS AND THE TRUST THAT THEY ENJOY AMONG OUR GROWING CUSTOMER BASE GIVE US THE CONFIDENCE TO FURTHER EXPAND THE RANGE OF OUR OFFERINGS.

2019 report. The ranking provides a useful input to influence investment decisions among global and domestic investors.

Over the years, we have established a strong portfolio of brands across four of our business divisions. The excellence of our brands and the trust that they enjoy among our growing customer base give us the confidence to further expand the range of our offerings. We are also focusing on growing our new businesses to help them attain a certain scale in a short span of time.

Our businesses delivered quality products at competitive prices, expanded market presence and enhanced service standards. Our marketing efforts created significant brand awareness among customers. We continued to expand our pan-India network of trade partners and dealers to ensure we reach out to a larger consumer base. However, that is not all that we are focusing on, because we believe HSIL is an institution of excellence that can create enduring value by integrating business priorities with the larger sustainability agenda.



The World Bank and the Government of India have also signed a US\$ 250 million agreement for the National Rural Economic Transformation Project (NRETP). The NRETP is aimed at helping rural women across 13 states to develop viable enterprises for farm and non-farm products. Such measures, with the objective of rural development, will encourage the participation of people at the bottom of the social pyramid in the nation's consumption story.

The financial year 2018-19 was another satisfactory year for us. In the face of currency volatility, crude oil fluctuations, escalating competition, pricing battles and difficult weather and market conditions, we continued our tradition of providing sales and earnings growth. We are confident of even better performance, as we have the talent pool, brands, products range, distribution channels and processes in place to strengthen our leadership and delivery.

Sustainability is deeply embedded in our business model. We believe business outcomes should be achieved while minimising environmental and social impact. Therefore, in the calendar year 2018, we commissioned two world-class green plants at Sangareddy, Telangana. One facility is part of our Building Products Division — manufacturing quality plastic pipes and fittings, and the other is part of our Packaging Products Division — manufacturing counterfeit-resistant security caps and closures. Both facilities have received a platinum rating by Indian Green Building Council (IGBC). These plants are best-in-class in terms of energy, water, process and waste management efficiency. I am happy to share that both these plants expanded their operations during the year under review. A sustainable and growing business delivers excellence and remains future-ready every step of the way.

India is now the world's fifth largest economy and has seen a major transformation in recent years. The most important among them is the successful rollout of the Goods and Services Tax (GST), in addition to the Make in India initiative, the Insolvency and Bankruptcy Code (IBC) and the Real Estate Regulatory Authority (RERA). These reforms address some of the intrinsic challenges that the country was facing even five years ago. The reform measures and other initiatives by the Government of India and state governments have helped India improve its rank considerably, from 100 to 77 in the World Bank's Ease of Doing Business,



WE MADE GREAT STRIDES IN SOLIDIFYING OUR POSITION IN FY 2018-19 AND WE PLEDGE TO CONTINUE TO SHARPEN OUR CAPABILITIES, BUILD AGILE BRANDS AND REMAIN FUTURE-READY.

While we talk about 'everyday excellence' and future-readiness, we must recognise the dedication and hard work of our teams, who make this progress possible for us. During FY 2018-19, we continued to map skill gaps and designed tailored training modules for our go-getters. We also developed policies and procedures to ensure that our business remains competitive

